

State of Rhode Island  
Department of Administration

# INTER-OFFICE MEMORANDUM

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## Office of Accounts and Control

**TO:** Chief Financial Officers **DATE:** October 26, 2004  
**FROM:** Lawrence C. Franklin, Jr., State Controller  
**SUBJECT: PROCEDURAL HANDBOOK SECTION A-53**

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I have established Section A-53 of the Procedural Handbook relating the state purchase cards. Section A-53 outlines general policies concerning use of the state purchase card. The Purchase Card Policy and Procedures Manual, designed to provide purchase card holders with the necessary instructions and policies on the proper use of the purchase card is available on the Office of Accounts and Control web site: <http://controller.doa.state.ri.us/PurchaseCard>.

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CFO: 05-07

STATE OF RHODE ISLAND  
DEPARTMENT OF ADMINISTRATION

**OFFICE OF ACCOUNTS AND CONTROL**

<b>SECTION</b>	<b>POLICY/PROCEDURE NO. /</b> A-53	<b>FORMERLY</b> /
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<b>POLICY/PROCEDURE</b> PURCHASE CARDS	<b>AMENDMENT</b>	<b>/ REVISION</b> /

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**POLICY**

1. Introduction

It may be appropriate for certain employees of the state to utilize State purchase cards in furthering the purposes, policies, and goals of the state. The following policies and procedures establish the methods and policies to be used with respect to employees' use of state purchase cards. The policies also assure the use of proper documentation, such as receipts, vouchers, and reports, to confirm the authorization and use of these assets.

2. Policies and Procedures

2.1 Distribution of Purchase Cards: The Director of each department/agency shall assure that, purchase cards, travel cards, and departmental cards of the state are issued/utilized only to/by personnel who have a need to expend appropriate sums directly associated with the state's business, such that without such purchase card(s) of the state the business of the state would be negatively affected, stalled, frustrated or hampered. The Department of Administration shall keep a list of personnel with purchase cards of the state.

2.2 Use of Purchase Cards: **Purchase Cards of the state shall be used only for expenditures directly associated with the business of the state. Personal use of the purchase cards is prohibited.** All expenses incurred on behalf of the state must be reasonable, directly associated with the business of the state and consistent with all other expenditure policies of the state. Allowable purchase card expenses are those directly associated with the business of the state. Disallowable expenses, such as alcohol and personal items, shall not be charged to any State Purchase Card, regardless of the cardholder's intent to reimburse the state for the prohibited expense(s).

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2.3 Purchase Card Policy and Procedures Manual: A manual, designed to provide Purchase Card holders with the necessary instructions and policies on the proper use of the Purchase Card, is available on the Office of Accounts and Control web site: <http://controller.doa.state.ri.us/PurchaseCard>.

2.4 Accounting

2.4.1 Each employee shall administer all receipts, vouchers, statements, expense reports, and other documentation with respect to state purchase cards in a prompt manner.

2.4.2 All cardholders and or managers must comply with the Purchase Card Reconciliation process as defined in section 4.0 of the Purchase Card Policy and Procedures Manual.

3. Enforcement

3.1 Each employee receiving a purchase card of the state shall execute and deliver a statement acknowledging that he/she has read the policies and procedures with respect to the use of state purchase cards, understands these policies and procedures, and agrees to abide by them.

3.2 Any employee who violates the policies and procedures set forth in this section may be subject to disciplinary action, including without limitation termination of employment, and civil penalties under Section 42-11-14.2 of the General Laws.

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3.2.1 Section 42-11-14.2(a) states it shall be unlawful for any employee of the state, or his or her designee, to use or permit others to use state issued purchase cards for personal use.

3.2.2 Any person who violates Chapter 42-11 of the General Laws shall be liable for a civil penalty equal to three times the value of the unlawful use plus an amount not to exceed ten thousand dollars (\$10,000).

4. Definitions

4.1 "Purchase Card" means any type of credit card wanted or used for any of the following purposes: Purchase of goods and/or services; travel cards, gasoline cards, or general credit cards.

4.2 "Personal use" means any use the purpose of which is for personal enjoyment, private gain, or advantage or an outside endeavor not related to the business of the state.